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ABSTRACT

This paper is intended to help those in a position to provide workers who are displaced by layoffs or plant shutdowns with assistance in adjusting to unemployment and finding new employment. The first section presents a summary of the transformation of the American labor market, showing the effects of economic and technological changes on the number and nature of available jobs. The psychological and physical impact of unemployment and underemployment on displaced workers is also described. Next, a synthesis of current information about ways of adjusting to the changing labor market is provided. Emphasizing the provision of effective job-search assistance, this section covers job choice and career counseling and compares the effectiveness of methods of gathering information about employment opportunities, including want ads, the public employment service, employment agencies, friends, relatives, acquaintances, and direct contact with employers. Then, specific strategies for training in job-seeking skills, such as using the telephone, completing applications, and interviewing, are described. The importance of a structured and supervised group job-search program is discussed. The paper concludes with a description of a reemployment center that might be set up to help workers displaced by massive layoffs or shutdowns. An extensive reference list is provided. (SK)

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Information Series No. 258

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REEMPLOYMENT ASSISTANCE FOR LAID-OFF WORKERS

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The ERIC Clearinghouse on Adult, Career, and Vocational Education
The National Center for Research in Vocational Education
The Ohio State University
1960 Kenny Road
Columbus, Ohio 43210

1983

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FOREWORD

The Educational Resources Information Center Clearinghouse on Adult, Career, and Vocational Education (ERIC/ACVE) is one of sixteen clearinghouses in a nationwide information system that is funded by the National Institute of Education. One of the functions of the Clearinghouse is to interpret the literature that is entered into the ERIC database. This paper should be of particular interest to career educators; vocational education practitioners and decision makers; career development personnel, counselors, and personnel departments in business and industry; community-based counselors; and employment counselors.

The profession is indebted to Robert G. Wegmann for his scholarship in the preparation of this paper. Dr. Wegmann is Professor of Sociology and Education, University of Houston-Clear Lake where he teaches graduate and undergraduate courses dealing with career choice, career change, and job-search problems. As a Senior Fellow, Office of Planning and Program Development at the National Institute of Education, he conducted research on job-search assistance and has a number of publications on the topic.

Recognition is also due to Michael Barth, ICF Incorporated; to David Meyer, Oakland University; and to Kevin Hollenbeck and Linda Pfister, the National Center for Research in Vocational Education, for their critical review of the manuscript prior to its final revision and publication. Susan Imel, Assistant Director at the ERIC Clearinghouse on Adult, Career, and Vocational Education, coordinated the publication's development. She was assisted by Sandra Kerka. The manuscript was typed by Linda Johnson, and Brenda Hemming and Janet Ray served as word processor operators. Editing was performed by Catherine C. King-Fitch of the National Center's Editorial Services. Ann Mae Bozsin of the University of Houston-Clear Lake Word Processing Center assisted the author with early drafts of the paper.

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EXECUTIVE SUMMARY

This paper is intended to help those in a position to provide workers who are displaced by layoffs or plant shutdowns with assistance in adjusting to unemployment and finding new employment. The first section presents a summary of the transformation of the American labor market, showing the effects of economic and technological changes on the number and nature of available jobs. The psychological and physical impact of unemployment and underemployment on displaced workers is also described. Next, a synthesis of current information about ways of adjusting to the changing labor market is provided. Emphasizing the provision of effective job-search assistance, this section covers job choice and career counseling and compares the effectiveness of methods of gathering information about employment opportunities, including want ads, the public employment service, employment agencies, friends, relatives, acquaintances, and direct contact with employers. Then, specific strategies for training in job-seeking skills, such as using the telephone, completing applications, and interviewing, are described. The importance of a structured and supervised group job-search program is discussed. The paper concludes with a description of a reemployment center that might be set up to help workers displaced by massive layoffs or shutdowns. An extensive reference list is provided.

Literature relating to the topic of reemployment assistance for laid-off workers can be found in the ERIC system under the following descriptors and identifiers: *Employment Services; *Job Layoff; *Labor Market; *Job Search Methods; Retraining; *Employment Opportunities; Employment Patterns; Psychological Needs; Coping; Career Counseling; Job Applicants; *Displaced Workers; Stress (Biological). Asterisks indicate terms having particular relevance.

INTRODUCTION

Dealing adequately with problems of unemployment while providing retraining for new employment opportunities may well turn out to be two of the most critical social challenges of the 1980s. The American economy is slowly being transformed from one centered around the production of physical goods to one that is largely oriented toward the provision of services and information. We increasingly depend on automated farms and factories for our food and material goods, importing from less developed countries those goods that require labor-intensive production. We also trade with developed countries whose factories are more advanced and productive, or whose labor force is less well paid, offering them information and expertise, and manufactured goods where we hold a technological edge.

This transformation is displacing large numbers of blue-collar workers. Plants are closing, unemployment is high, and workers who are being laid off need immediate assistance in finding new employment.

This paper first presents a summary of how the American labor market is changing, and then a synthesis of what is known about the hiring process, from the point of view of the person seeking employment. The research cited here is now widely scattered in a variety of papers, journals, and government reports. This paper has been written in the belief that those who are in a position to provide assistance to workers being laid off as plants reduce their work forces or close will find such a synthesis of practical value in guiding their efforts to provide immediate, effective help to such workers as they seek new employment. Corporate personnel, union leaders, vocational educators and counselors, and professionals in the employment and training community should find the paper to be of use in their work.

There is a surprising amount of ignorance about the process of obtaining employment. If the research findings reported here can help to provide a more complete understanding of that process, then it should be possible to design more useful programs for those who have been laid off, and thus to minimize the human and social disruptions that are an inevitable part of plant shutdowns.

Slote (1979) provides a short but vivid description of the emotional demands and pressures that are part of closing down a plant, including dealing with the suicide of one of the employees. It has been striking, in reviewing the literature on unemployment, to notice how often a footnote or parenthetical comment will be made about the suicide of one of those in the study. Work roles play a critical part in an individual's self-concept. The deeper the personal identification with the work role, the truer this is. To be declared not worth hiring is, for some, to be declared not worth being.

THE CHANGING LABOR MARKET

One of the major characteristics of the American labor market today is the large-scale movement of jobs from one location to another. As Sternlieb and Hughes (1980) point out, one of the primary functions of American cities used to be to serve as centers for manufacturing. The city concentrated large numbers of workers in close proximity to major manufacturing plants. Even as late as 1950, almost one-third of the working population of New York City was employed in the manufacturing sector. Today, however, this situation has changed radically. Kasarda (1982) lists twelve midwestern and northeastern cities that, between 1948 and 1977, lost a total of over two million manufacturing jobs. The city, in effect, has undergone a functional transformation. Previously, the city was a center of production and distribution. Workers often lived within walking distance of work. Today, however, many manufacturing jobs have moved to the suburbs, where land is cheaper, while the central city (and its downtown particularly) has been transformed into a center for administration, information exchange, and the provision of services in areas such as law, computer control processes, accounting, and so on. The new high-technology industries often prefer suburban settings, close to their highly educated work forces. Many of the workers in the downtown office centers commute from the suburbs; the young and childless may live in expensive enclaves within the city itself. But for many other people living in the central city, the jobs that they might have been able to perform are gone, and the jobs that still remain largely demand skills they do not possess. A high proportion of the remaining unskilled jobs pay at or close to the minimum wage, and even these jobs may not be easy to obtain. During the same 1948-1977 period in which the twelve cities studied by Kasarda lost 2 million manufacturing jobs, employment in the suburban rings surrounding these cities grew by 3.9 million.

While some jobs are moving to the suburbs, others are disappearing or moving to other countries. Some sense of these changes can be obtained by inspecting the data collected by the U.S. Department of Labor shown in table 1.

As can be seen from table 1, between 1960 and 1980, employment in the goods-producing sectors (mining, construction, and manufacturing) grew rather slowly, while the total labor force grew much more rapidly. The service-producing private sector, however, grew at an extremely rapid rate, so that the majority of all American workers were employed in this sector by 1974. Although the federal work force experienced only modest growth, state and local government also experienced rapid expansion. Most of these government workers are, of course, employed at providing some sort of service (education, police and fire protection, maintenance of public records, and so on).

TABLE 1

NONAGRICULTURAL PAYROLL DATA BY INDUSTRY (IN MILLIONS)

Year	Goods Producing		Service Producing						Total	
			Private Sector		Government					
					Federal		State/Local			
	No.	Percent	No.	Percent	No.	Percent	No.	Percent	No.	Percent
1960	20.4	38%	25.4	47%	2.3	4%	6.1	11%	54.2	100%
1970	23.6	33%	34.7	49%	2.7	4%	9.8	14%	70.9	100%
1980	25.7	28%	48.5	54%	2.9	3%	13.4%	15%	90.4	100%

SOURCE: "Current Labor Statistics" 1982.

During 1981 and into 1982, in a time of severe recession, the number of people employed in the goods-producing industries and government dropped, not only proportionately but also in absolute numbers. The number employed in the service-producing private sector, however, continued to increase.

What is significant is that, while this decrease in the number employed in the goods-producing industries occurred during a severe economic downturn, many of these jobs are not expected to come back even after recovery. As Main (1982) points out, there are simply too many positions in auto, steel, rubber, and other manufacturing areas that are being lost to automation and foreign competition, a process accelerated by the structure of multinational corporations. Many of the jobs that remain in this country are becoming more bookish. They involve more abstract data and ideas, and the electronic manipulation of symbols. And newly created manufacturing jobs (in the computer industry, for example) may pay substantially less than the auto and steel industry jobs that have disappeared.

Accompanying this change in the mix of available jobs has been a radical shift in the sex ratio of the American work force. This shift can be seen by examining the labor force participation rate, the proportion of men and women over age sixteen who are employed for pay. In 1965, women had a labor force participation rate of less than 40 percent, compared to a male rate of over 80 percent, a two-to-one ratio. Thus, the majority of adult men worked for pay; the majority of adult women did not. By 1979, however, the female participation rate was up to 51 percent, while the male rate had dropped to 78 percent. For the last decade two of every three new entrants to the labor market have been women, and it is projected that this ratio will hold true throughout the 1980s. Thus by 1990 the female labor force participation rate will be 60 percent, while the male participation rate will have again dropped slightly to 77 percent (Kutscher 1981). The majority of adult women are now employed, and

we are moving toward a situation in which the proportion of adult women with jobs will be almost as high as the proportion of adult men with jobs.

These changes are obviously connected to the changing mix of available employment opportunities. While college-educated women have been crowded into a small number of professions (in only 19 of 100 occupations is the percentage of women with college degrees as high as that of men), most women work at relatively low-paying service jobs (Howe 1977; Quester and Olson 1978). Women are less likely to be employed in industries with high levels of fixed assets per worker (Bridges 1980). When the majority of workers holding a given job title are women, the "rules of the game" seem to be different for the women (and men) holding that job: seniority doesn't translate into higher pay, nor do qualifications and work skills, nor increased productivity (Bridges and Berk 1978). The average weekly earnings of women reach a peak at a much younger age (Mellor and Stamas 1982). Women are concentrated in lower-paying positions, such as clerical and service jobs; it is these jobs that have been increasing in number, if not in pay. As the proportion of women in an occupation increases, pay decreases. While there have been suits and collective bargaining demands for "equal pay for comparable work," progress thus far has been slow (Bunzel 1982). As a result, for men working full-time, median weekly earnings in 1981 were $347; for women they were only $224, or 65 percent of male earnings.

While women fill many of the increasing number of service industry positions, men are more and more displaced from the manufacturing jobs they previously held. In many ways we may be seeing, in manufacturing, a repeat of what happened to agriculture. As Ginzberg (1982) points out, in 1820 more than 70 percent of the American work force was on the farm. By 1960 this number had fallen to 8 percent, by 1970 to 4 percent, and there has been a continued downward trend to 2 percent in 1982. Yet not only do crops from American farms feed this country abundantly, but also there is sufficient surplus left over to feed much of the rest of the world, most notably the Soviet Union.

A recent study by the Joint Economic Committee of the U.S. Congress (1982) reports that General Electric ultimately expects to replace half of its thirty-seven thousand appliance assembly workers with robots. The study suggests that, while the number of jobs performed by robots will be less than 10 percent of the jobs in the total economy in 1990, and probably less than 5 percent, robots will be heavily concentrated in the automotive and primary or fabricated metals industries. Just as it took 150 years for farm employment to fall from over 70 percent of the work force to 4 percent, the process of automation in factories can also be expected to take place over a significant time period (Albus 1983). However, like a slow but steadily moving glacier, such change, over time, produces permanent and significant effects.

A report by the Congressional Budget Office (1982) estimates that, depending on the definition adopted and the assumptions made, the number of workers unemployed during 1983 because of structural changes in the economy will range from one hundred thousand to 2.1 million even as economic recovery is under way. The probable continuation of such unemployment is suggested in a report by Bylinsky (1983) describing a Japanese factory--the Yanazaku Machinery

Works--which operates with twelve workers during the day and one watchman at night and produces the same volume of goods as a conventional factory with a work force of 215. Ultimately, such automation can produce high-quality goods at low cost and eliminate much drudgery. In the short run, however, the displaced workers face a serious readjustment problem.

As Lubar (1982) points out, we have just experienced the fourth recession in the past twelve years, with each one lifting the unemployment rate higher than the last. In the meantime, the median time unemployed has gone from 6.5 weeks in 1980 to 6.9 in 1981 and 8.7 in 1982 ("Current Labor Statistics" 1982, 1983). At least some of this time looking for work is undoubtedly spent seeking jobs that are no longer there. Urquhart and Hewson (1983) report that the goods-producing sector of the economy, with less than 30 percent of non-farm payroll, accounted for 90 percent of the jobs lost during 1982, with 85 percent of the total increase in unemployment due to job loss rather than voluntary departures or the failure of new entrants--or reentrants--to find work. A recent report in Business Week ("Retraining Displaced Workers: Too Little, Too Late?" 1982) suggests that there has been a significant change in the pattern of help-wanted advertising that indicates that the skills of laid-off workers are often no longer needed by other employers. This is true even for those at the higher skill levels. Abbott (1978) reports that about 8,000 types of jobs vanished from the American labor market during the 1949-1965 period, while more than 6,000 new types appeared. Some of these new jobs attracted very large numbers of people; computer specialists, for example, grew from about 12,000 in 1960 to 275,000 in 1972 and nearly 585,000 in 1980. The problem, however, is a structural one: do those being laid off from disappearing jobs have the skills to do the newly emerging jobs? And can they earn an equivalent rate of pay?

Even when looking at our export/import situation, the growing dominance of services and expertise becomes apparent. Between 1950 and 1979, exports and imports rose from 6.8 percent of gross national product to 15.4 percent. More and more, our economy is interconnected with and dependent upon foreign markets and suppliers. Guzzardi (1983) reports that 20 percent of our industrial output and 40 percent of our agricultural products are exported, with one-third of all corporate profits coming from foreign trade and investment. But we sell far more than manufactured goods and food--we sell ideas and expertise. During 1980 alone, our trade imbalance was positively affected by the $6.7 billion that Americans received from other countries in fees and royalties. At one time the largest export industry in New York City was apparel; today it is legal services (Ginzberg and Vojta 1981; Ginzberg 1982). Total United States exports in telecommunications and information goods, even excluding services, were over $12 billion in 1977, more than double the 1972 total (Hamrin 1981).

It is not only factory work that is being significantly affected by automation and foreign competition. According to Giuliano (1982), staff reductions have been common in corporate departments introducing computerized customer service, for example, and changing to a work-station system. While the work is more interesting, the system requires up to 50 percent fewer workers. Nor is it meaningless to speak of foreign competition for clerical jobs; it is quite possible (and may be economical) to hire someone to do computer work or

even word processing in a less developed country and beam the results back to this country at very high speeds via satellite communications systems (Anderson 1982a).

Bowles (1983) reports that a bipartisan group of senators and representatives has been meeting to analyze the decline of the interrelated interstate highway/housing/auto industries, which served as the engine for much of the growth experienced up to about 1970. What they are trying to determine is whether it is reasonable to expect high technology to have an equivalently positive effect on employment. So far they are not sure. Forecasts reported in Business Week ("America Rushes to High Tech for Growth" 1983) suggest that the number of high-tech jobs created over the next decade will be less than half the two million jobs lost in manufacturing just in the last three years.

As Naisbitt (1982) notes, there are growing and declining industries, and it is a mistake simply to report the average of these growth and decline levels. At a time when Detroit was experiencing 12 percent unemployment in an economy based on automobiles, Austin had 4 percent unemployment in an economy based on education, government, and high technology. This emphasis on the service area is true in our international trade as well as domestically; services comprise 41 percent of what Americans sell abroad (Anderson 1982b). Naisbitt also points out that most of the growth in the service industry has been in the information sector. But the nature of service jobs, and particularly of jobs in the information industry, is significantly different from the nature of jobs in the manufacturing sector. What comes through over and over again in reading analyses of these changes is the problem of moving people who have worked for years in a traditional manufacturing environment into the very different settings of the service industry or high-tech manufacturing.

Personal Impacts

The net effects of all of these changes in the American labor market can be seen in a number of very important indicators which, taken together, suggest fundamental changes in the social and economic structure of American society. They are increased unemployment, increased underemployment, downward mobility and the decline of the well-paid blue-collar class, great rapidity of occupational and job change, and movement from employment in large establishments to employment in small establishments.

Increased Unemployment

That unemployment is high is well known. The monthly unemployment figures do not, however, give the whole story. Hewson and Urquhart (1982) report that the median duration of unemployment rose from 6.8 weeks in the fourth quarter of 1981 to 9.1 weeks in the second quarter of 1982, a record. Over the same period, the mean duration of unemployment rose from 13.2 weeks to 15.1 weeks. A measure that includes discouraged workers (those who want jobs but have quit looking because they have been unable to find any) and those who are employed only part-time even though they want but cannot find full-time work stood at

13.7 percent of the labor force during the second quarter of 1982. Since that time, all of these measures have gone even higher.

In the past, some of this unemployment might have been alleviated through more hiring by government; but, as we have seen, state and local governments, like the federal government, have been hiring fewer rather than more workers: between July 1981 and April 1982 federal employment fell by forty-five thousand while state and local goverment employment fell by sixty-five thousand.

The unemployment figures, again, do not tell the whole story. Many persons suffer multiple periods of unemployment during the same year. In fact, Bowers (1980) reports that more than a third of all those who experienced some unemployment during 1978 reported being unemployed more than once. As a result, he notes, the figures for average length of unemployment are actually understated.

Increased Underemployment

This high level of unemployment is accompanied by significant underemployment. Hecker (1982), reporting a follow-up of the college graduates of 1977, found that 28 percent of those employed were working in jobs that do not generally require a college degree for entry (craft, retail sales, service, operative, and laborer jobs). Even assuming that those who were engaged in graduate studies were working at temporary jobs to bring in some income until graduation, 23 percent of the group still remained underemployed.

As Freeman (1976) points out, the job market for college graduates changed significantly during the mid-1970s. The number of persons with college degrees increased relative to the number of available jobs; today, about a fourth of the work force aged twenty-five to sixty-four has completed four or more years of college (Young 1983). Degreed persons began accepting salaries at real rates of pay substantially below what had been true in the past. The ratio of college to high school graduate incomes for twenty-five- to thirty-five-year-olds dipped from 1.4 to 1.16. Between 1969 and 1974, male college graduates working in sales increased by 23 percent, while female graduates employed in clerical positions increased by 26 percent.

The output of college graduates has, however, continued unabated. McGrath (1982) reports that the class of 1982 was the largest ever, with almost one million bachelor's degrees being awarded. There is no indication that this imbalance between degree holders and available college-level jobs will change anytime soon. Duncan and Hoffman (1981), using data from the Panel Study of Income Dynamics, report that 42 percent of the workers in a representative national sample of five thousand households reported having more education than their jobs required.

The laid-off factory worker, therefore, enters a labor market where he or she must compete within a more highly educated work force than would have existed even a few years ago. To the extent that he or she has less education, and is competing for a more "bookish" job than the one that has been lost, there is an obvious competitive disadvantage.

Downward Mobility

This increase in unemployment and underemployment must be seen, along with the greatly increased female labor force participation rate, in the context of what is happening to family incomes. In the automobile business alone 255,000 employees or 23 percent of the blue-collar work force are on indefinite layoff (Alexander 1982). It is true that service jobs are being created; but they often pay relatively low salaries and many offer little chance of advancement. A very educated work force wants professional, challenging work; but there is just not enough to go around (O'Toole 1977). Under these conditions many families have felt threatened by downward mobility, and have moved from one wage earner to two, or now have one or more members working two or more jobs. Taylor and Sekscenski (1982) report that, in all, about 4.8 million persons worked two or more jobs during May 1980. Multiple jobs for women often consist of two part-time jobs, whereas men usually combine a full-time and a part-time job.

Anderson (1982a) reports a study of the employment histories of thousands of workers who lost jobs in the New England textile industry; most were never again able to make equivalent incomes. Gordus, Jarley, and Ferman (1981), in a review of research on plant closings, found a pattern of blue-collar workers experiencing a high level of difficulty locating new employment, with long periods of unemployment and much downward mobility. Langerman, Byerly, and Root (1982), in a similar study of plant closings in Iowa, report similar findings.

Hayghe (1982), reviewing data from the monthly Current Population Survey of approximately sixty thousand households, found that more than half of the 40.5 million wage-earning families contained at least two workers. Their median weekly earnings ($585) were nearly twice those of families with only one worker ($299). Families headed by women as the only wage earner had median weekly earnings of only $212.

The net effect of all this is brought home in some data presented by Sternlieb and Hughes (1982). They found that, in constant 1980 dollars, median family income rose only $84 during the 1970-1980 period. This is in striking contrast to the experience of the 1960-1970 period, during which there was a real increase of $5,300. Yet this almost zero increase from 1970 to 1980 took place during a decade when 3.2 million wives entered the labor force. Had they not done so, it is clear that there might have been an actual decline in median family income. The article presenting these data is appropriately titled "Running Faster to Stay in Place."

One question is how long this process can go on. Most families do not have a wife in reserve; and the difference in economic situation between the two-worker, childless family and the one-worker, multiple-child family may become such that the latter type almost disappears. In fact, of course, birth rates have dropped precipitously during the past decade.

Labor Market Flux

The American work force, under these conditions of massive economic restructuring, is characterized by one of the highest rates of job and occupational change in the developed world. Cohen and Schwartz (1979), analyzing a 1 percent sample of 1974 Social Security records, found that there was so much short-term and part-time hiring in the U.S. economy that the annual estimated rate of new hires was more than 90 percent in 1978. This means that the average U.S. firm hires almost as many new workers in a year as its average employment. Sugarman (1978) found that employers regularly separate even full-time employees into those to be kept on permanently and those who will be laid off quickly in an economic downturn. Hence the generation of a high rate of occupational change. Rytina (1982) examined data from the Current Population Survey and found that close to one-half of all workers had been employed in their January 1981 occupations for less than five years, with 9.5 percent of those aged eighteen and over changing occupations between January 1980 and January 1981.

Rates of employer change, like rates of occupational change, are also very high. Horvath (1982) found that close to 30 percent of all workers had been on their jobs less than one year. Age is a large factor here; median years on the job go from 0.8 for those aged sixteen to twenty-four to 11.9 for those aged fifty-five to sixty-four. Workers over age forty-five are clearly much more stable. Even with older workers, however, there is substantial change; close to 9 percent of the workers in all age groups (much more, of course, in some) had started their present job within the past year.

In some cases these changes in employer and/or occupation can lead to increased pay and other benefits. As we have seen, however, these changes have often led down rather than up. Leventman (1981), in her study of professionals laid off by the high-technology industries along Route 128 in the Boston area during the 1971-1972 economic downturn, found that more than one-fourth ultimately accepted underemployment. Underemployment was not a pleasant experience, and she found little job satisfaction and deep resentment among those in that situation.

The Move to Smaller Business

The degree of flux in the employment situation of individuals is paralleled by a greatly increased flux in the number of businesses employing the American worker. Naisbitt (1982) reports that in 1950 there were some ninety thousand new businesses being started annually; today this has grown to six hundred thousand. The 1969-1976 period was one during which the economy had to absorb both very large numbers of young workers (as the "baby boom" generation came of age) and equally large numbers of women newly entering the paid labor force. Birch (1981) found, when analyzing Dun and Bradstreet records, that 66 percent of the net new jobs created during these years were in establishments with twenty or fewer employees, compared to only 13 percent in firms with more than five hundred employees. The largest manufacturing firms (the so-called Fortune 500) experienced very little growth in employment over this same period. Armington and Odle (1982) have recently reanalyzed

these data and point out that about half of such small establishments are owned or controlled by other companies, though not necessarily by major corporations. Still, they found that establishments with one hundred or fewer employees, which employ about half of the private sector work force, accounted for 78 percent of the growth in private sector employment between 1978 and 1980. Totally independent small businesses of under one hundred employees employed 33 percent of the work force and generated 37 percent of the net new jobs.

There are two characteristics of smaller businesses that are important in understanding what is happening to the American work force. The first is that such businesses typically pay substantially lower salaries than major corporations. The second is that they are more likely to go out of business.

Kalleberg, Wallace, and Althauser (1981), in a review of income determinants, found that establishment size was one of several measures that had a significant positive effect on income. Similarly, Beck, Horan, and Tolbert (1978) found that workers in what they described as "core" industries--large, oligopolistic corporate enterprises--had larger annual earnings than workers in "peripheral" industries. They estimate that it costs the average white male $4,098 annually to work in the periphery rather than in a core industry. Personick and Barsky (1982), in a study of the relationship between white-collar pay levels and corporate work force size, found that pay levels tended to increase with employer work force size, particularly for entry-level workers, and especially in manufacturing. For the largest establishments--those of ten thousand or more employees--professional/administrative workers typically earned 10 to 15 percent more than they would have received for the same work in a work site with fewer than five hundred employees, with those in clerical/technical jobs earning 20 percent more. Thus, as more workers move to smaller businesses, it is the well-paid jobs that are disappearing or diminishing in numbers, while lower-paid jobs in small, service-oriented establishments are becoming more available. As Birch (1981) notes, recent job providers are overwhelmingly in the services sector; manufacturing firms in his sample actually experienced a net loss of jobs during the period he studied.

Not only are smaller firms likely to offer lower-paying jobs; they may offer jobs that are notably less secure. Armington and Odle (1982) found that each percentage point of employment growth is actually the net result of three percentage points of growth (1.5 due to established firms expanding and another 1.5 due to new firms being created) combined with two percentage points of job loss (one percentage point due to firms going out of business and another due to firms shrinking in work force size). Thus, while small business provides many job opportunities, albeit often at lower salaries, a significant number of such businesses fail, and job security is consequently lessened. Most recently, of course, large corporations have also experienced significant contractions, so that the second disadvantage may not be as great as it first appears; but at least some of those workers laid off by large corporations have a chance of being called back.

Interrelationships

The trends we have been examining are obviously interrelated. Larger firms have been experiencing little or no growth, especially in manufacturing. Smaller firms, particularly in the services area, have been growing in number. While often more volatile, they have provided many employment opportunities. Real wages have been falling; both private sector hours and earnings fell between 1970 and 1981 ("Current Labor Statistics" 1982). The average work week declined from 37.1 to 35.2 hours, while real weekly earnings declined 9 percent. (These figures are adjusted using the Consumer Price Index for urban wage earners and clerical workers.) All of this occurred in a labor market experiencing a very large influx of women and young persons.

During the next decade, the number of new young entrants will drop, while the number of women newly entering the labor market will continue to be high. As a highly educated work force competes for a limited number of high-status positions, many college graduates have been accepting lower-status, lower-paying positions, competing for these positions with others of less education. Both in an attempt to find something better, and because of the volatility of employment situations, workers--especially younger workers--change both jobs and occupations at a rapid rate. Educational requirements and distance put many jobs out of the reach of urban workers, as some jobs move to the suburbs (not only manufacturing, but particularly retail sales jobs as a result of what has been described as the "malling of America"), while the downtown area becomes a center for the "bookish" information industry and other managerial and professional jobs. The number of well-paid blue-collar workers declines steadily. Women continue to be paid substantially less than men and, despite the publicity given to token exceptions, are largely crowded into a relatively small number of occupations. The more complex jobs created by computer technology are being filled by a better-educated labor force, but not always at particularly high wages.

In the days when any college degree led to a good job, undergraduates majored in whatever interested them. In today's much more competitive job market, the number of majors in the liberal arts and social sciences has plummeted, while the proportion majoring in business administration, computer science, accounting, engineering, and other obviously job-related areas has increased markedly. This has led to a strong demand for professors in some fields and to substantial surpluses in others--hence the stories about Ph.D.'s in history driving taxis.

Physical and Mental Impacts of Unemployment

There are few areas where the relationship between mental state and physical health becomes as apparent, even as stark, as in studies of the health impacts of unemployment. Losing a job means more than loss of income, serious though that is. It also means losing one of the main structures around which one's life revolves, losing friendships at the work site, losing one's primary source of status in the community. The emotional and physical impacts are very severe and very negative, and this is true at all economic levels.

Leventman (1981), in her study of professionals thrown out of work during the economic downturn of 1971-72, found many long-term workers reporting that they were laid off swiftly, with almost brutal impersonality. Some male workers could not bring themselves to tell their wives for months; they just left home at the same hour each morning as if going to work. Symptoms of psychic distress were quite apparent during interviews and were often severe. These professionals spoke of fear, anger, loneliness, depression, episodic rage, and despair. Mental breakdown, illness, high blood pressure, heart attacks, and divorce followed. When wives went to work to bring in some income, their husbands often resented it, taking this as a sign of their failure.

Maurer (1979), a journalist, traveled the country interviewing individuals standing in line waiting to collect their unemployment checks. He spoke with the unemployed from all social and economic levels, and his accounts are filled with the drinking problems, marital conflict, harassment by creditors, thoughts of suicide, feelings of guilt, moodiness, crying, loss of energy, weight fluctuation, and feelings of self-blame that are part of unemployment. The self-description Maurer heard most often was "worthless."

Farrell and Rosenberg (1981), in their study of men at midlife, have some particularly poignant descriptions of the impact of unemployment on the middle-aged. Liem and Rayman (1982) studied the impact on a family of job loss by the father. They report that negative health effects are not confined to the men who were laid off. Their wives were also significantly more depressed, anxious, phobic, and sensitive about interpersonal relationships, while their children became moody at home, developed problems in school, and experienced deteriorating relations with other children.

Some of the largest-scale studies of the effects of unemployment have been done by M. Harvey Brenner. In his initial work (1973) he traced the relationship between economic conditions and mental health admissions in the state of New York, and found a clear relationship, with admissions going up about a year after the economy turned down and then decreasing about a year after the economy turned up again. This relationship was found to hold over the entire 127-year period for which records were available. In a later study for the Joint Economic Committee of the Congress, Brenner (1977) found that the unemployment rate was consistently related to heart disease, cirrhosis of the liver, suicide, homicide, mental hospital admissions, and state prison admissions for the nation as a whole. Specifically, based on 1970 population levels, he found that a 1 percent increase in unemployment led, over a six-year period, to 36,890 deaths which would not otherwise have occurred. More than half of these deaths were due to heart disease. More recent studies in Great Britain have produced similar findings (Brenner 1979). Schapiro and Ahlburg (1982-83), in a study focused on suicides, estimated that an unemployment rate of 9 percent for 1980 would have led to 1,270 more suicides than would have occurred if the unemployment rate had been 5 percent.

Cobb and Kasl (1972), in a study of United Auto Workers members being laid off by factories about to close, focused on the physical effects on married men, aged forty to fifty-nine with at least five years seniority. They found that during the anticipation phase before the layoff, uric acid levels were up significantly (a potential cause of gout), and blood pressure was also up,

rising as termination approached; cholesterol levels rose with unemployment. There was a noticeable increase in arthritis symptoms. The nurses who took the measurements found the men depressed. There were two suicides. Ulcer symptoms were common in both the men and their wives. The researchers felt ethically bound to remove some men from the study and refer them for medical attention, though this then somewhat affected their findings. Cobb and Kasl estimate that serious health effects can be expected after six weeks of unemployment. As they point out, it is during the period they are not at work that the unemployed most need health insurance but do not have it.

One of the emotional reactions that often accompanies unemployment is a feeling that seeking or accepting help in learning how to find work is an expression of personal inadequacy. Finding a job, like getting a date or finding a spouse, is something that any adequate person is just supposed to know how to do. Joining a job-search group, like joining a singles club or seeking help from a dating service, is seen as an admission of failure. This complicates the problem of providing adequate, timely, and effective assistance.

ADJUSTING TO A CHANGING LABOR MARKET

Given this rapidly changing labor market, in which reemployment in manufacturing may not be available, what can be done to help those being laid off to find other employment as quickly and effectively as possible?

The first step would seem to be a careful review of the nature of the local labor market. As is abundantly clear from the various studies that have been cited, the mix of available jobs is not what it was even a few years ago. It is therefore essential, in any given situation, to assume as little as possible and to approach as many sources of information as is practical in order to identify not only the major areas of current employment, but also the probable growth areas. Data on current wage rates should also be gathered. The chamber of commerce, local colleges and universities, the local employment service office, the private industry council, land developers, the mayor's office, and direct interviews with a sample of large, medium, and small businesses will all provide useful information. Any suggestions of possible avenues for reemployment must be made in the light of what is learned. There is little value in sending a worker from a job that has just disappeared to another that will be on its way out shortly.

This is particularly important when exploring training possibilities. As Kaufmann (1982) points out, psychological deterioration may result when retraining does not, in fact, lead to reemployment. It is essential that any retraining opportunities be offered in skills that are in demand. Ideally, such training should be done in concert with employers, who would then agree to interview the trainees as they complete the program.

A very useful thing to do, after "mapping" the local labor market, would be to prepare a slide or other audiovisual presentation, summing up what has been learned, for viewing by the workers themselves. This information could help them to understand the local situation better, providing a framework to help guide them as they choose what to do next. Done properly, it might also help them to see their situation in a larger context. Any information that can give realistic hope for the future in a setting that minimizes self-blame and feelings of hopelessness will help all concerned.

Another area to be explored is the possibility of relocating workers so that they can stay with their present company in another city. Stern, Root, and Hills (1974), in a follow-up study of two large plant closings (one in Kansas City and one in Omaha), found that postclosure earnings were highest for those who moved in order to stay with the same firm, in this case Armour. Workers had the following options: seeking other work immediately, on their own or with help from the public employment service; enrolling in government-sponsored retraining for a different occupation; or moving to another city and staying with Armour. Using Social Security data to follow up on earnings, the

researchers found that those who immediately found jobs on their own had an average annual income of $8,230; those who found jobs with help from the employment service averaged $7,640; those who went through retraining programs averaged $7,120; and those who were willing to relocate to stay with Armour averaged $10,240.

The characteristics of the limited number of jobs available through the employment service will be discussed shortly. The fact that the lowest earnings were obtained by those who were retrained reinforces the importance of looking very carefully at the nature of any retraining programs, and at the probability of actually finding well-paid employment after the training. The importance of involving local employers in the design of such training cannot be stressed enough.

For those who do not seek retraining, and for whom moving to another city and staying with the same company is not possible, the final option is the provision of effective job-search assistance. It is this topic that will occupy almost all of the remainder of this paper. First, however, there is one other related matter that must be quickly addressed.

Job Choice and Career Counseling

After information about the local labor market has been given to workers about to be laid off, the next critical decision for each worker will be what job to seek. Depending on educational and experiential backgrounds and on personal inclinations, there will very likely be a wide range of responses. Some individuals will know immediately what they want to do, while others will be completely at sea. Since job-search assistance programs generally assume that the job seeker has some idea about what job is to be sought, or has at least narrowed down the possibilities to two or three options, the first order of business is to provide assistance with the job choice decision if that is needed. This can be done in either an individual or a group format depending on each person's desires; ideally, both should be available. Several very useful computerized programs for career exploration are now available, and these could also be used (Jacobson and Grabowski 1981).

There are a variety of excellent recent books that discuss approaches to choosing a job (Bolles 1978, 1982; Crystal and Bolles 1974; Jackson 1978; Miller and Mattson 1977; Moore 1976; Sher 1979). Generally, however, these books are geared toward college-educated populations, and their approaches need to be adapted to the needs and characteristics of the group being served.

The essential argument of the authors of these books is that the process of intelligent job choice consists of three steps.

- First, inventory strengths: review skills learned on the job as well as natural abilities shown not only on the job but also in voluntary activities, school courses, hobbies, and so on.

- Then, having identified as clearly as possible what has been done most successfully in the past, locate two or three potential jobs that would

use these same skills and that have reasonable employment prospects in the community, and go talk both to individuals who are now employed at these jobs and to those who hire such persons. The purpose of these "informational" interviews is not to obtain employment, but to find out as much as possible about the actual nature of the jobs, the typical pay, working conditions, employment prospects, and so on. By talking both to those who do the job and to those who hire for it, a more complete perspective can be obtained. If a given job turns out to be a poorer fit to one's abilities than expected, the person being interviewed may be able to suggest another possibility that was not originally considered.

- On the basis of the information that has been acquired this way, a decision can be made about the job or jobs to be sought, and the worker can then begin actually applying for employment.

This informational interview approach can be time-consuming, and thus must be started well before the actual job-search process begins, if at all possible. It is, however, an approach that has multiple payoffs. For a worker who has not recently been in discussions about jobs, this process can help him or her begin making contacts with employers in a low-stress setting, free of the possibility of rejection that is inherent in a job interview. Given an opportunity to speak to several individuals about a variety of possible jobs, the worker is much more likely to make a decision that is both reasonably attractive personally, and realistic given the job market in the city or town in question. Finally, the process is an excellent preparation for job interviewing, since someone who has had several conversations about employment possibilities is much more likely to come across in a job interview as informed and having made a well-considered job application.

It is becoming common for university placement offices to help students and other adults with the informational interviewing process. Local community colleges may also have persons who are familiar with this process and experienced in helping others through it. If these resources can be tapped in a timely manner, the question of job choice can be largely taken care of before the actual layoff and job-search process begins.

Labor Market Operations

Before describing the kind of job-search assistance that might reduce the period of unemployment and facilitate the least stressful return to employment in another setting, it is first useful to describe what researchers have found when studying the operation of the American labor market. With this information in mind, the process of job-search assistance can be more clearly understood.

The person seeking employment has essentially three avenues to reemployment. First, one can approach some labor market intermediary for assistance. By going to an employment agency (public or private), or looking through the want ads, one can attempt to find a list of available job openings. Second, one can "ask around" among friends, relatives, and acquaintances, hoping to

find someone who knows of a job opening and who can provide information about what the employer is looking for and what the chances are of obtaining the job. Finally, one can simply approach several potential employers, asking each if there are any openings. None of these methods works for everyone in every situation; each has advantages and disadvantages. For a thorough review of the literature on these various approaches to looking for work, consult Mangum (1982b).

When considering how the job-search process works, it is essential to keep in mind the picture we already have of the changing nature of the American labor market and the very large number of job openings that occur in small businesses. If one were to board a helicopter on any given day and look down on a city of any size, one could be quite certain that, regardless of the state of the economy, jobs were becoming available daily and even hourly. People are always quitting, being injured, being fired and promoted, and retiring. Businesses are expanding and being founded; even contracting businesses overfire or scare off employees and suddenly find themselves shorthanded. Problems come to a head, new orders are received, decisions to reorganize are made, and new employees are needed. The fact that 30 percent of the working population have been at their present jobs for less than one year, as we have already seen, implies that (in an economy with one hundred million jobs) job openings are occurring nationally at the rate of thirty million per year. So what's the problem? The problem is that there is no way that anyone can find out about all of these openings. Hundreds and thousands of employers (the city of Houston alone, for example, has over fifty thousand employers) make these decisions independently, and they are neither required nor inclined to report the openings to any central agency.

A job search, therefore, is essentially an information search. Obtaining a job once one knows of an opening is a problem too, but the primary and most important challenge is to find the openings in the first place. In the American economy, without central planning, hiring decisions are made independently and without direction or control. No one person is informed about all of them, and there is no one place where one can learn about all available jobs, or even a high proportion of them.

The Want Ads

The first and most obvious place to look for information about openings is the want ads. Walsh, Johnson, and Sugarman (1975) report a study of the want ads that appeared in the Sunday papers in San Francisco and Salt Lake City during the five-year period from 1968 to 1972. What they found, essentially, was that the want ads contain only a small proportion of the available jobs, and that the distribution of jobs in these ads presents a very distorted picture of the jobs that are actually available. In both cities only a small percentage of employers hired workers through the want ads, and these tended to be large firms concentrated in just a few industries. In a survey of employers they found that 85 percent of those surveyed in San Francisco and 76 percent of those in Salt Lake City had hired no workers through the want ads during the prior year. Firms in such areas as finance, insurance, and real estate were particularly unlikely to hire through the want ads. Employers

said that when they did hire through the ads, they had the most success in hiring clerical, sales, and service workers.

Many of the want ads lacked essential information; in over half of them the employer could not be identified, either because a box number was used or because the job was available only through an employment agency. There was no wage information in 85 percent of the ads. Many of the jobs were obviously hard to fill; two to three months after the ad appeared, a full third of the jobs were still open. Employment agency ads were particularly short on specific information: 90 percent gave no idea of the geographic location of the job, and 86 percent did not even give the industry, much less the specific employer.

In another study covering 204,000 want ads in nineteen newspapers in twelve areas of the country, want ads for a one-year period--June 1974 to May 1975--were studied. The Sunday papers appearing closest to the end of the month were chosen for review. It was found that only 55 percent of the jobs offered were clearly with local employers, the others being ads for jobs out of the area or at undisclosed locations. Only 31 percent of the ads were clearly for local jobs being advertised for the first time. One-fourth of these new want ads were for jobs in low-pay, low-status situations: domestic workers, restaurant workers, janitors, and so on. Jobs listed, in fact, tended to be hard-to-fill jobs clustered at one of the two extreme ends of the spectrum: either low-pay, low-status, high-turnover jobs, or jobs with very high skill and experience requirements. The study concluded that the absence of jobs in the middle range, requiring only moderate levels of skill and experience but providing good pay, suggested that employers advertise only after they have used other, more informal methods to fill their openings. Placing a want ad is something of a last resort, after all else has failed. Another indication of this fact is found in the precipitous drop in want ad volume during an economic downturn (Johnson 1978).

The Employment Service

This same study also made a careful review of the jobs available through the local offices of the U. S. Employment Service in these same twelve areas. This federally funded but state-run agency is called by different names in different states: the employment commission, the department of employment security, the employment development department. Regardless of its name, it provides free services to both employers and job seekers. Like the want ads, however, the employment service tends to have a stock of slow-moving, highly skilled positions--often listed only because federal law requires the listing of jobs where a federal contract is involved--and a flow of semiskilled and unskilled blue-collar and service listings, which are typically filled almost upon receipt. These latter jobs predominate; 40 percent of the employment service listings were categorized as low-paying, low-status jobs.

It should be noted that this study, funded and reported by the U. S. Department of Labor (1978), had some tendency to overemphasize large metropolitan areas. In smaller towns, local employment service offices may handle a far higher proportion of the available job listings. In fact, a local

office may even have exclusive hiring agreements with major local employers, serving in effect as their personnel office. The process of mapping the labor market for any given city will quickly reveal the local situation.

Employment Agencies

The other major labor market intermediary consists of private employment agencies. Gowdey (1978) gives an excellent account of their operations. In contrast to the want ads of employers, which are written to discourage applicants, often listing artificially high educational and experience requirements in order to reduce their numbers, the ads of employment agencies describe jobs in glowing terms in order to generate the largest possible number of applicants.

It is not that these applicants are needed to fill the advertised openings, but rather that they can be sent to interview for other jobs that the agency has listed or that can be developed on the basis of the applicant's credentials. Private employment agencies, in other words, list the best jobs in order to stimulate a large flow of applicants to their offices. (If they are unethical, they may make up and advertise nonexistent attractive jobs.) These job seekers are then quickly interviewed, and the most attractive and marketable selected. The rest are dismissed. To the extent that the agency has listings, the selected job seekers are matched to them. For the rest, employer after employer is phoned, the job seekers are described, and a request is made for an interview if, but only if, either the job seeker or the employer has agreed to pay the agency fee.

Employment agencies, like all other labor market intermediaries, know of only a small percentage of the available job openings. And, like other intermediaries, they tend to be disproportionately aware of those jobs for which workers are in short supply either because of relatively low wages or the high skill levels the jobs demand. In an economic downturn, when a job seeker needs them most, employment agencies are least likely to be able to provide assistance, since few employers see any need to pay their fees or deal with them at all, given the large number of job seekers who are coming on their own initiative to seek work. The largest employment agency in Houston had eleven offices a year ago; today, because of the recession, it has three.

Finally, there is always a natural pressure--accepted or resisted, according to the agency's ethics--to send a job seeker to those jobs of which the agency is aware, regardless of whether these jobs are what the job seeker wants or are those for which he or she is best suited, in order to earn a quick fee. If there is a shortage of secretaries, the question is likely to be "Can you type?" regardless of the job being sought. Hence, regulatory agencies receive consumer complaints of bait-and-switch advertising, downgrading of skills for quick placements, giving of misleading information, and abusive financial practices (Mangum 1978).

Other Intermediaries

There are a variety of other labor market intermediaries: centralized civil service hiring offices, unions, school placement offices, community-based organizations, and so on. Many are very helpful but are available only to a limited membership group. Others serve every applicant but have other disadvantages. Civil service offices, for example, tend to be notorious for generating an enormous amount of paperwork, which takes months and months to process.

With all intermediaries, however, there is one fundamental problem: they know of only a very limited proportion of the available jobs, and even this limited proportion is not a random sample, but tends to consist disproportionately of either high-turnover jobs or jobs demanding very high levels of training and experience. Clearly, the rest of the available jobs are being obtained by other methods.

Help from Friends, Relatives, and Acquaintances

The next general approach to finding employment is to seek information from friends, relatives, and acquaintances in order to discover any job openings of which they may be aware. Rees (1966) points out that the problem for both employer and job seeker is not finding a larger quantity of possibilities, but rather obtaining high-quality information. The employer does not want a huge number of applicants, but a small number of suitable ones about whom he or she knows a lot. The job seeker does not need a list of thousands of jobs, so much as the opportunity to learn about a few that would be genuinely attractive, preferably where some friends or relatives already work.

In studies of the hiring process in Chicago, Rees found that in four white-collar occupations, informal sources accounted for half of the hires; in eight blue-collar occupations, it was four-fifths. Sheppard and Belitsky (1968), reporting a study carried out in Erie, Pennsylvania, found that most of the male blue-collar workers who found new jobs after layoff heard of them through friends, relatives, or other workers. What such sources provide is usually not only information about the existence of an opening, but also some idea of the characteristics of the place of employment, and often a "good word" to whoever is doing the hiring.

Granovetter (1974), in a study of the job-finding methods of professional, technical, and managerial workers in a Boston suburb, reports that the majority obtained their new jobs through some kind of personal contact, and in proportions quite similar to those found in studies of blue-collar workers. When completing a questionnaire, 51 percent of the respondents said they got their new jobs with the help of some personal contact. Many of the rest said they found their jobs by directly approaching an employer to see if there were any openings. Those respondents who were interviewed personally could be asked at this point what led them to make this approach, and in many cases it turned out to be information received from a friend, relative, or acquaintance. This raised the proportion of persons finding their jobs through personal contacts to 66 percent.

Another of Granovetter's findings was that, when he would ask who provided the information, suggesting "friend or relative," the respondent would answer, "No, an acquaintance." In 28 percent of the cases this was a person who was ordinarily seen once a year or less. This led Granovetter to develop the concept of "the strength of weak ties," arguing that those who are closest to us tend to move in the same circles and know the same people, so that we are more likely to get critical job information from those who are not so well known to us, and who are more likely to move in different circles and know different people (Granovetter 1973). It is clear that, for many who are unemployed, feelings of shame and embarrassment seriously inhibit reemployment, since it is these feelings that keep them from telling others they are unemployed. The tendency to withdraw socially at this time is extremely counterproductive.

Lin, Ensel, and Vaughn (1981) report a follow-up study using Granovetter's concept. They, too, found that critical job information came from acquaintances more often than from close friends and relatives, but added that the critical factor about the acquaintance was that he or she be highly placed. What is important about ties is perhaps not so much that they are weak, but that they are to well-placed individuals. For most of the population, using weak ties to reach higher-status contacts is an important way of finding out about the better job openings. Lin and his colleagues estimated that the mean income of the respondents who used weak ties was $2,500 above those who depended on persons they knew well for information.

The preference employers have for hiring new workers on the recommendation of present employees or other trusted sources is not without foundation. Ullman (1966) reports a study of two large companies that kept records of those hired through personal referral as against those hired through want ads. After one year, 25 percent of those hired through referrals were still employed, compared to only 12 percent of those hired through want ads. At the second company, the figures were 72 percent and 26 percent. Similar findings are reported by Gannon (1971), who examined the records of a New York bank. Those who were reemployed, referred either by their high school or by present employees, or who walked in and applied in person had termination rates over a one year period of 21 to 29 percent. Those hired through newspaper advertising or employment agencies, on the other hand, had termination rates of 38 to 40 percent.

Decker and Cornelius (1979) studied the personnel records of 2,466 employees of an insurance company, a bank, and a professional abstracting service. In each case the lowest quit rates were for those hired through employee referral. The highest quit rates were for those hired through employment agencies (in the case of the bank), or through want ads (for the insurance company and the abstracting service). The use of personal contacts and employee referral apparently provides both employer and job seeker with a higher level of information, thus making a good match more probable; hence, both prefer this approach.

While the American labor market clearly operates in a predominantly informal manner, this presents the job seeker with a dilemma. Obviously, every friend, relative, and acquaintance should be contacted in order to see if they know of any job openings. But if this has been done, and nothing develops,

what then? And, more important, what if one has few friends and relatives in town, or those one has are not highly placed? As Ericksen and Yancey (undated) point out, the likelihood of organizational membership and general social activity increases sharply with increasing education. The individual who has worked for many years at the same plant, which is now closing, and whose friends and acquaintances are largely also working at the same plant, may quickly exhaust the potential sources of job information even among distant acquaintances.

Approaching Employers Directly

In this case the next option, and the final means by which many Americans find employment, is approaching employers directly, without a referral and without knowing if there is an opening, in order to inquire if an opening exists and to apply for any opening that is found.

This, after all, is how employment agencies locate the majority of their job openings. The state employment service also regularly contacts employers, though this practice has been much curtailed by recent budget cuts. As Figler (1979) points out, the job seeker at least has the option of using the appropriate portion of the Bell System Yellow Pages to find every employer who would be likely to use any given set of skills. The employer has no similar option. (The equivalent practice would presumably be phoning randomly from the white pages of the telephone directory, an approach that, if it is used, has never been reported.)

Conceptually, going to one employer after another until an opening is found is almost a foolproof method. In effect, one is taking a sample of available employers. If 3 percent of the available employers have job openings on any given day, and you contact one hundred employers each day (which is not impossible by phone), over the long run you should find an average of three job openings per day.

If job openings were being sought by computers, this approach would work without fail. The problem is, of course, that taking a sample involves more than dealing with the three places where there are openings. It also means dealing with the ninety-seven where there are no openings, and where a phone call or visit may not be well received. The process is like panning for gold in a riverbed. You will find some gold eventually, but you can go through a lot of sludge in the meantime.

Nor is it always clear, when approaching any given firm, who should be contacted in order to find out if an opening exists. Ferber and Ford (1965) report a study that attempted to monitor job openings in a midwestern community. They found that even where a personnel office existed, hiring activities were often not centralized there. In twelve of the thirty-eight firms studied, at least three people would have to be contacted to find out about the total employee turnover and available vacancies in the firm; no one person or office knew. Hence, it is quite possible to phone a firm and be told that there are no openings when, in fact, openings do exist.

Finding vacancies and obtaining interviews is, thus, a difficult art. Most books on the the subject of how to find vacancies and obtain interviews tend to focus on the more educated job seeker (Bostwick 1981, for example). Lathrop (1977) is one of the few who regularly include examples and ideas appropriate to working-class job seekers.

What Works Most Often?

Which of these three methods--using an intermediary, asking friends and relatives, or approaching an employer directly--actually leads to a job for most people? Probably the best overall information we have on this question comes from data collected as part of the Current Population Survey in January 1973 (Rosenfeld, Michelotti, and Deutermann 1975). Every adult in the sample of sixty thousand households who had found a job during the prior year (1972) was asked what methods were used to seek work (the average respondent used four), and then what method actually led to their being offered the job they finally obtained. The results are shown in figure 1.

Method	Percent
Applied directly to employer	34.9
Inquired of friends and relatives	26.2
Answered newspaper ad	13.5
Used private employment agency	5.6
Used public employment service	5.1
Used school placement office	3.0
Other	11.7
Total	100.0

Figure 1. Job-Search Methods Leading to Employment

In examining the results in figure 1, one should keep in mind Granovetter's (1974) finding that, if questioned, at least some of those who answer "directly contacted employer" would realize that the reason they made that contact was that some friend, relative, or acquaintance told them of a possible opening. In any case, it is clear that over 60 percent of those finding jobs did so through direct action on their part, rather than by using some established labor market intermediary. A study limited to towns of 100,000 to 250,000 in population, sampling employers rather than job seekers, came up with very similar findings (U.S. Department of Labor 1976).

These figures also make clear why intermediaries know, even cumulatively, about less than half of the job openings that exist. Since employers constantly have two streams of job seekers coming to them, the first recommended by employees and others, and the second coming in on their own initiative, they have little motivation to use intermediaries unless (1) the jobs that

they offer are low-paying, high-turnover positions with openings constantly available or (2) their jobs have high skill requirements, either in themselves or relative to the pay offered, so that there are insufficient numbers in either of the two streams of job seekers who are willing or able to fill them. Hence, it is logical that the studies already reported would find want ad and employment agency listings heavily loaded with jobs at the two extreme ends of the skill/experience/pay spectrum.

Mangum (1982a) uses a model developed by Johnson and Sugarman (1978) to visualize what is happening. (The model is depicted in figure 2). The employer's behavior is symbolized by a triangle, with the large area on the top of the triangle representing known internal vacancies. If calling back current employees who are on layoff does not fill available openings, the employer then works down to job applicants who have applied on their own initiative, then to those recommended by others or met in chance encounters. If these means are insufficient to fill available jobs, the employer goes to applicants referred by college placement offices, unions, or other certifying agencies. Only as a last resort does the employer turn to intermediaries that involve broadcasting the opening widely: private employment agencies, the public employment service, and newspaper advertising, represented in figure 2 as Levels V through VII.

The job seeker's experience, on the other hand, is represented by an inverted triangle parallel to that of the employer. That is, the job seeker first tries the obvious means of finding job listings (the want ads, employment agencies) but finds the available openings to be heavy with undesirable jobs or jobs for which he or she is not qualified. The job seeker then tries to use more restricted systems if they are available (unions, school placement, and so on), makes informal inquiries, and finally begins applying directly.

Mangum studied a stratified sample of sixty-five firms in Salt Lake City and found that the study results essentially supported the model. The median percentage hired through informal contacts was 25 percent; the firms' internal market and personnel office gate hires each contributed a median of 20 percent. The medians for all public intermediaries were low (less than 1 percent), but the means were higher: 13 percent for want ads, 10 percent for closed systems (professional associations, school placement, and so on), 7 percent for the employment service, and 3 percent for private employment agencies, which suggests that a few large employers made extensive use of these intermediaries, even though most employers did not.

All of which brings us back to one fundamental fact: a job search is an information search. There are always job openings, even during a severe recession; the problem is to find them. As Stevens (1972) observed in a study of the behavior of unemployed males seeking full-time, nonconstruction industrial work, what is striking is the low quality of labor market information available to job seekers. His data imply that, despite an unemployment rate of less than 3 percent and a study limited to workers with at least two years' prior work history, it took an average of fourteen contacts with potential employers for experienced workers to obtain new employment.

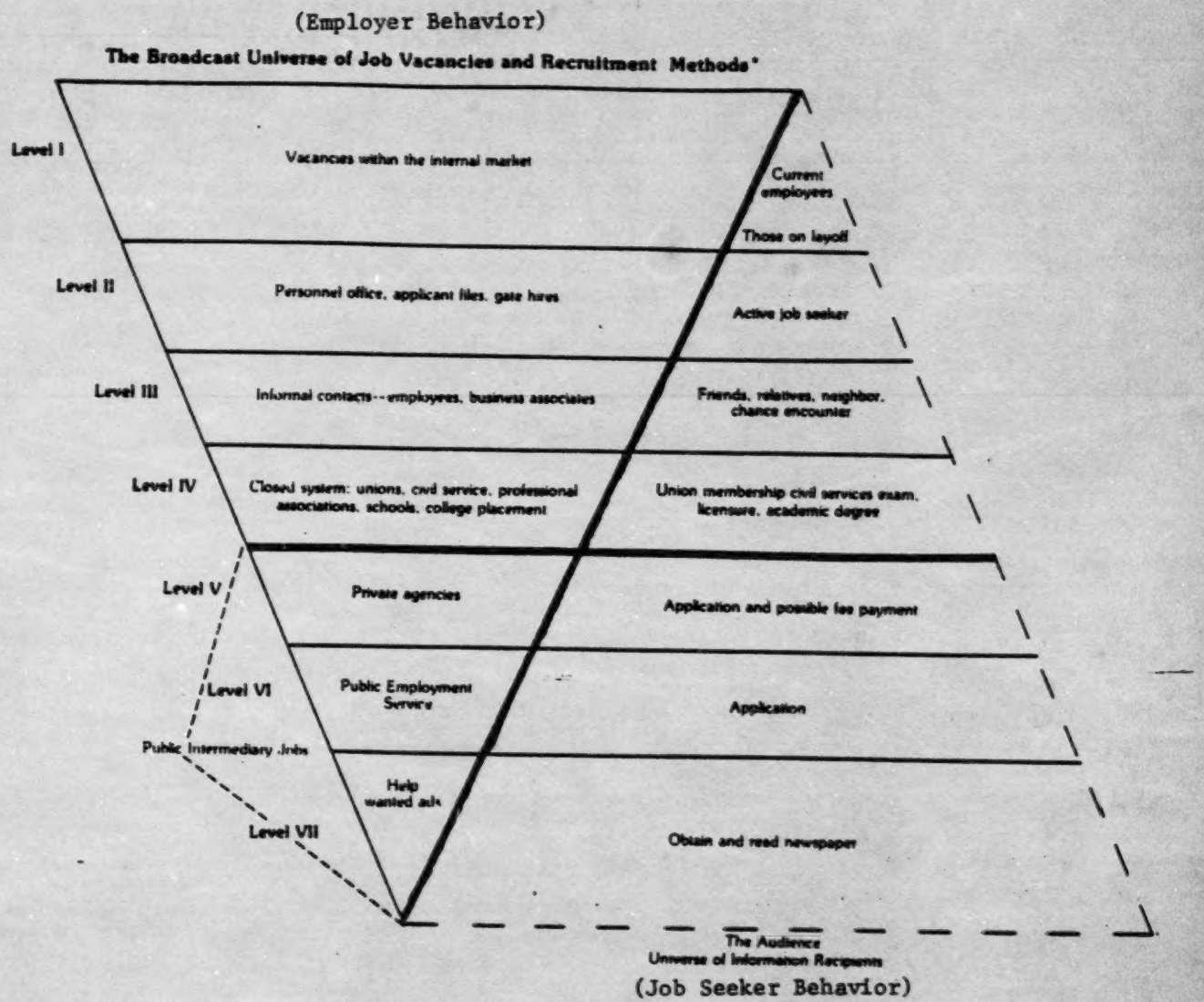

Figure 2. The Recruitment Job-Search Model

SOURCE: Johnson and Sugarman 1978.

Job-Search Training: The Mechanics

With these facts in mind, what kind of assistance is needed by laid-off workers as they seek reemployment? There are at least three areas in which almost all laid-off workers could use specific skill training: telephone usage, application form completion, and interviewing.

Telephone Usage

The telephone is a very valuable tool for the job seeker if it is used properly. Workers can be trained on a teletrainer (essentially, a closed circuit phone) supplied by the telephone company. They can develop such habits as always giving their own name and then asking for the name of the person to whom they are speaking, dealing in a friendly but assertive way with secretaries, summarizing their skills in a succinct but attractive way when speaking to employers, and so on. Scripts can be provided, and participants in training sessions can first practice on each other and then make actual phone calls with the trainer listening in. With sufficient practice, workers seeking new employment can obtain much of the information they need over the phone; as with shopping, it can save much time and gasoline to "let your fingers do the walking."

Application Forms

Application forms will be required by almost all employers of any size, and training in the best way to complete them will save the unemployed worker a great deal of time and trouble, while raising the probability of being chosen for an interview. Workshops covering the employment application form should lead the participants through a sample form, blank by blank. It is particularly important to deal appropriately with gaps in employment histories and with other potentially negative factors, such as criminal records, health problems, dishonorable discharges, and so on. By showing the participants how to present themselves in the best light, and stressing the importance of providing information in the manner specified by the directions on the form, the probability of obtaining an interview can be increased. At the end of the workshop the properly filled out sample forms should be checked and then typed, so that job seekers can carry them to personnel offices and interviews, and copy the information from them when filling out the forms of the company or agency to which they are applying. This practice will ease and speed up the application process and relieve the individual of trying to remember the various dates, names, and other information that will be required. Springbett (1958) provides research evidence on the importance of a properly filled out application form in the hiring process.

The Interview

Interview training is needed by laid-off workers at all levels. Most people, even college graduates, have had no formal instruction on how to interview properly, and errors that cost them job offers are common. The most

powerful way to improve interviewing behavior is by videotaping practice sessions and then playing back the videotape for review. Barbee and Keill (1973) report that if this playback, in which specific behaviors are identified that need to be changed, is followed by practice in the proper behaviors and then repetition of the simulated interviews, the quality of interviewing behavior rises significantly.

There are a number of useful summaries of research on interviewing behavior (Clowers and Fraser 1977; Galassi and Galassi 1978; Mayfield 1964; Wright 1969). The essence of what they have to say is that dress makes a powerful first impression; being positive is extremely important, since anything negative tends to weigh heavily against the applicant; friendliness and likability are important; the decision tends to be made early in the interview, on the basis of the first impression; and it is essential to demonstrate the ability to communicate well.

The objective of interview training is to prepare job applicants to be active and assertive in speaking well of themselves, handling any difficult or awkward questions smoothly, and straightforwardly asking for the job. Some background in assertion training will be valuable for those who are to conduct the sessions (Alberti 1977; McGovern 1976). Many applicants are nervous during job interviews and tend to sit passively and silently, answering any questions in one or two words, and becoming totally unnerved if asked embarrassing or difficult questions. With training they can learn to introduce themselves properly, establish rapport with the interviewer, volunteer favorable information about themselves, and indicate an interest in the company to which they are applying. If they have practiced difficult questions they will be able to handle them much more smoothly should they come up in an actual interview. By asking for the job, inquiring when they can call back if a decision will not be made immediately, and generally communicating a pleasant personality, initiative, and a strong desire to work, they can increase the probability of being offered the job.

Blue-collar job interviews may take place either formally, in an office, or very informally, on the shop floor or even in a pickup truck at a construction site while the boss runs an errand. In any of these settings, however, the same fundamental interviewing skills are needed. Since so few people have had the advantage of careful training in this area, those who have this training will find it a real advantage.

Finally, some programs to assist displaced workers may want to help them put together a simple, one- or two-page resume to use as part of their job search activities. If so, Lathrop (1977) is an excellent source of models and examples.

Job-Search Training: Supervision

The job-search period need not be a long one, nor even an unprofitable one. Kahn and Low (1982) have recently presented some data suggesting that, because an unemployed job seeker can collect more job offers than one whose time is more limited because he or she is still employed, the unemployed job

seeker will often do better financially. Using data collected from the National Longitudinal Survey, they found a 10 percent wage offer advantage for those who sought work while unemployed over those who found a new job while still holding down the old one. Even accounting for lost wages, unemployed job seekers came out slightly ahead. The key is to keep the period of unemployment short and to search intensively.

The critical issue in contemporary approaches to job-search training is the intensity of the search process. Programs set up to assist the unemployed have been offering information and training for years. However, as Johnson (1982) points out, what is different about recent programs is the emphasis they put on supervising the actual search process. Descriptions of such programs may be found in Wegmann (1979), Kennedy (1980), and Johnson (1982). These job-search training programs also offer information and training, but they then set specific quotas for the use of that training (at least twenty phone calls to employers per day, or at least two job interviews per day, for example). They provide support and supervision during the actual job-search process. Phone calls are made from program quarters, for example, rather than from home. Participants report on their activities daily.

The importance of this supervision can be seen in some data gathered as part of the Current Population Survey (Rosenfeld 1977). A national sample of unemployed adults was asked how much time they had spent on their search for work, and how many contacts with potential employers they had made in the past four weeks. Although unemployed for a month or more, the respondents were spending only seventeen hours a month on their job-search activities, averaging six contacts with employers during the last four weeks.

Similar findings were reported in a study done in the St. Louis area in 1971-72. Stevens (1977) interviewed 2,598 unemployment insurance recipients during the seventh week following the filing of their initial U.I. claims, and found that 68 percent had contacted twenty or fewer employers during the time they had been unemployed.

Those in job-search groups, on the other hand, are strongly encouraged to consider obtaining a job as a job in itself and to work at it full-time. Typically, they spend more hours on their job-search activities in one week than most unemployed individuals do in a month, and they make more contacts with employers in one day than the average person does over several weeks.

The importance of this intensity can be seen in recent reports describing the results of two programs to find jobs for graduates of Control Data Institute courses. In the Boston area, a group of twenty participants averaged five months' unemployment since graduation from the Control Data training. Each person in the program averaged 233 phone contacts with potential employers in 12.4 days of supervised job search under the direction of a group called JIST (Job Information and Seeking Training). It typically took twenty-two phone calls to get an interview, and eight interviews to get a job offer. Now that they were looking for work more intensely under supervision, eighteen of the twenty found jobs; the average time to locate employment was just under four weeks, with all eighteen employed within six weeks (JIST 1982). The average salary accepted was $14,700 per year.

In Los Angeles, working with a similar population of eighteen Control Data Institute graduates unemployed for up to one year, the Self Directed Placement Corporation assisted seventeen of them to find employment within a four-week period. The participants averaged thirty-two phone calls per person per day, which led to an average of four interviews and 1.4 job offers each. The average salary accepted was just over $14,000.

As has been stressed in the discussion of labor market operations, looking for work by applying to employer after employer will, inevitably, turn up far more situations where no jobs are available than businesses where an opening is found. From a behavioral point of view this means that there will be far more failure than success, a situation which tends to extinguish the behavior. Azrin and Besalel (1980) describe their group job-search program (called a "job club") as a program that essentially provides interim positive reinforcement, such as praise for the successful completion of interim tasks, in order to keep the unemployed person at his or her efforts until a job is offered and accepted. Without this assistance, job seekers tend to become discouraged and to lower the frequency of employer contact. They then soon come to feel that there are no jobs to be found, which further reduces their search activities, so that this belief soon begins to act as a self-fulfilling prophecy. Azrin and Besalel's manual (1980) describes in some detail how this tendency can be counteracted.

Properly conducted, such structured and supervised group job-search approaches can lead to a much more intense, and hence shorter and more successful, job search. If the group leader is skilled at group dynamics, he or she can build a mutually supportive atmosphere that will counteract at least some of the negative mental and physical effects of the anxiety and "rejection shock" that, as has been seen, often accompany a period of unemployment. Some suggestive evidence of the effectiveness of social support in reducing these problems can be found in Gore (1978). Even when a job interview does not lead to a job offer, the participant in such a group can take pride in having interviewed well, be praised for this, and see the experience as one more positive step toward reemployment. One such group, working in Anderson, Indiana, was able to place 62 percent of the participants despite an unemployment rate of 24 percent in the local area due to auto layoffs, and despite an average prior unemployment of 14.5 months (JIST 1983). Many, however, took jobs at wages well below what they had earned previously.

Such groups are not easy to lead. As has recently been pointed out (Wegmann 1982), assigning persons to run such groups without providing the necessary training and experience can significantly reduce their effectiveness. Although good printed materials are now commercially available (Azrin and Besalel's manual has already been mentioned; Farr, Gaither, and Pickrell [1983] also have an excellent manual), the heart of the ability to conduct such a workshop lies in a positive attitude toward the participants, a good sense of their emotional states and how to deal frankly with these, a high level of energy, and an ability to be directive without being offensive. With this kind of leadership, the great majority of the participants can be expected to find new jobs before the emotional, financial, and physical stress of unemployment produce really negative results.

CONCLUSION: DEALING WITH LARGE LAYOFFS

Having discussed the nature of current changes in the American labor market, and the research on the job-search process, as well as the kinds of training that can speed reemployment, this paper will close by describing the kind of reemployment center that might offer maximum help in dealing with a plant shutdown.

Case Study of a Plant Closing

Assistance for Laid-off Workers

Universal Widget, with plants in ten localities, must close its oldest and least efficient operation. The closing has been decided and announced and will be implemented in about six months. This means that over five hundred employees will be laid off. Mike Thomas, the head of the plant's personnel operation, aided by an assistant supplied by corporate headquarters, is directed to head up the reemployment operation, for which a budget is provided. Since the plant is located in a midwestern town of about four hundred thousand, the layoff will have a significant but not necessarily overwhelming impact.

Universal Widget first reviews its needs in the other nine plants and offers transfers where possible. About fifty employees, mostly at the higher salary levels, accept transfers and prepare to move. Another seventy-five workers are ready for early retirement, and accept the package offered by the company. This leaves about 375 workers who will be looking for new positions.

It quickly becomes clear that there are nowhere near 375 openings available in local manufacturing facilities. While lack of openings will not be a problem for the secretarial, accounting, and other office staff at the plant, it will be a problem for many of those on the production line. As a first step, working with the chamber of commerce and the employment service, Mike does a study of the mix of jobs available within the community. With his own 35-mm camera, he shoots a set of slides as he makes a series of visits to a sample of large and small employers throughout the city, in order to illustrate the range of work sites, jobs, and salaries that are available. He then drafts a script describing the city as a labor market, presents it to a committee of knowledgeable people, and has it professionally recorded. At the same time, he and his assistant visit the town trade school, community college, and several proprietary schools, trying to put together a comprehensive list of the training that is locally available, with indications of how this training matches up with available jobs.

Based on this survey, the company chooses ten training programs that will be partially or wholly subsidized by the corporation or the local private industry council, with the remaining cost to be loaned to the worker and repaid in installments, beginning two months after reemployment. Local employers make commitments to interview the trainees when their training is completed. Note that there is no attempt to obtain an ironclad guarantee to hire, a practice many employers would view as unreasonable. A good faith promise to interview and seriously consider is sufficient.

Initial sessions are held with the workers. These sessions are introduced by Mike but then conducted by faculty and counselors from the local community college. An opportunity to vent feelings is provided. Once some of the workers' anger, frustration, and fear has been expressed and worked through, the slide presentation on the city as a labor market is shown and discussed, and attention is focused on the positive steps that can be taken to deal with the situation.

Work sheets are given to each worker, and the workshop leader shows the group how to summarize skills and interests. Each person also indicates the kind of job he or she wants to seek. Those who are undecided are invited to check a box indicating a desire for vocational testing and individual or group counseling. Computerized career guidance systems loaned by the community college are available on microcomputers at a location in the plant. Management has made a commitment to organize the plant shutdown process in cooperation with the reemployment efforts, so that reemployment assistance can be provided during the working day. The payoff in good public relations, and the potential unemployment compensation savings, help motivate this cooperation, and the whole process reduces fear of industrial sabotage.

Other sessions are held to explain the available training programs and how to apply for them. Representatives from the armed forces are invited to these sessions in order to explain training available in each service, as well as any veterans' benefits for which some workers may be eligible that might aid with retraining.

The plant computer is programmed to produce a listing of each job seeker, the kind of job sought, and essential information about prior training and experience. A group of volunteer workers are trained to use a plant-installed phone bank, calling medium and smaller employers to ask if there are any openings and to inform them of the chance to hire experienced workers who are being laid off because the plant is closing. Mike, with the assistance of the chamber of commerce, has been personally visiting the heads of all the large businesses and major public agencies in town, seeking their cooperation in making any job openings available to those who are being laid off at the plant.

A month before layoff, workers are invited to attend a series of workshops on job application completion, interviewing behavior, phone use, and resume construction. These are conducted by teams from the employment service, the local community college, and the chamber of commerce. In the meantime a central reemployment center has been established. It is being run much like a college placement center. Larger employers are invited to come and interview

on site. They send in their list of openings ahead of time, and interviews are scheduled. Smaller employers who indicate an interest in seeing one or two potential employees, but who may not want to come to the plant personally, have the option of being matched with appropriate workers, who are then informed of the opening and told whom and where to call for an interview.

As a result of these activities, workers begin to leave for other jobs as plant operations wind down toward complete closure. After the plant closes, those workers who do not yet have jobs may continue to collect their pay if they attend sessions in the reemployment center. The conditions of employment, however, are the same as those on the job: they must punch in on time each morning, work the entire day, and punch out in the evening (unless they are on an interview, in which case they can phone in and report that fact). This arrangement will go on for a maximum of four weeks; after that period the center will continue to operate for an additional four weeks, but the workers will be off the payroll and will have to apply for unemployment compensation. A $10.00 per day cash expense allowance for travel, lunch, and other job hunting expenses will, however, continue to be provided to all those who attend regularly.

Each group of fifteen workers is assigned to a group leader. Under his or her supervision, the workers check the job orders that are still being solicited (or spend occasional half days doing the soliciting), check all want ad listings, brush up on interviewing or other skills if they realize they still have needs or problems in these areas, make lists of persons who might have job openings in the future and phone for appointments to speak to them, go to interviews, write thank-you notes after interviews, and generally go about the business of seeking new employment. Occasional short workshops on assertion, stress management, and other appropriate topics are offered. The company, as a parting fringe benefit, has paid everyone's health insurance for twelve months after closure (or until reemployment, whichever comes sooner) so that any health problems that do develop can be taken care of promptly and not interfere with job-search activities. Phones, secretarial help, photocopying, stationery and postage, typewriters, and lists of employers from the chamber of commerce and from Dun and Bradstreet reports are provided.

As the number of workers to be placed dwindles, Mike announces a new program to be run in cooperation with the chamber of commerce. Any employer who has an opening but who might, because of needed training or some other reason, have been hesitant about hiring one of the persons being laid off at the plant, can interview and select a potential new employee and then pay that person no wage or salary for the first two weeks. The wage or salary will be paid by the plant. If, at the end of two weeks, the new employee has not worked out well, the relationship is terminated. Since the person was never on the new employer's regular payroll, there will be no unemployment compensation or other obligations. With this boost, some of the workers who have been hard to place are given a chance, work hard to prove themselves, and are kept on by the new employer at the end of the two-week period.

Summary

Admittedly, this is a somewhat idealistic description. Still, there is nothing in it that is not practical and could not be done, and at a reasonable cost.

One important cost consideration would be the availability of knowledgeable and experienced people to help do the training and run the job-search groups. If they are available locally at colleges and in the employment and training community, costs could be kept to a minimum. If they must be brought in from a distance on a consulting basis, it would obviously cost considerably more.

This scenario is merely meant to illustrate what might be done, not to prescribe. What is to be done has to be worked out to fit each individual situation. In some cases, where it is clear the town economy is not large enough to absorb the displaced workers, centers may have to be set up at one or two nearby towns. It would be much easier to help a whole group of workers to find work and move as a group to a new city than for them to do it individually. Mueller (1981) reports some data that suggest such an approach might work.

While workers should certainly be taught to find job openings on their own, every effort should also be made to collect as many job listings as possible to be shared with the entire group. The combination of job listings obtained for the group and openings found by the workers themselves will work better than either would alone.

Jones and Azrin (1973) report an interesting experiment that offered $100 to anyone who provided information leading to the employment of a job seeker. Although this was done in a rural county with relatively high unemployment, fourteen calls were received describing twenty jobs; nineteen applicants were sent, and eight were hired. After every effort has been made to solicit voluntary job listings, and time is growing short, such an approach might be used to help place the last of the laid-off workers.

Whatever methods are used, the available research suggests that the most rapid placement of the greatest number will occur if displaced workers are as knowledgeable as possible about the local labor market; have been well trained in the specific skills of job-search activity (job application completion, interviewing behavior, and so on); keep in touch with all relatives, friends, and acquaintances who might be able to help; and work consistently at the job-search process for a full day every day, just as they would at a full-time job. If support and supervision are provided to facilitate this approach, it is not unreasonable to expect that the great majority of the laid-off work force will be reemployed within three to six weeks after layoff. Realistically, not all will be able to make their former wage, and those over age fifty-five will have particular difficulty. A thorough review of available training opportunities should, however, make clear the possibilities for higher income in the future.

Nothing can prevent such a situation from being painful and difficult; but the available evidence suggests that the more quickly the person is reemployed, the more bearable will be the inevitable strain and trauma.

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